An analysis of the results of President Salinas de Gortari's 12-day, 4-country official trip. In Germany and Italy, the results were mainly economic: promises of joint ventures and direct investment in Mexico. In Czechoslovakia and the Soviet Union, altough some trade arrangements were made, the visit was primarily political. Finally, the president's call on the Vatican –stressed as a private visit, and not as a head of state– aroused great interest in Catholic circles.

FTER PRESIDENT SALINAS DE GORTARI'S intense 12-day working trip, from the 29th of June to the 10th of July, to four European nations -Germany, the Soviet Union, Czechoslovakia and Italy- it is of great interest to analyze its political and economic results.

In terms of economics, the most important were the efforts undertaken by the president to assure that Mexico may take part, effectively and competitively, in the globalization process that is characterized by markets grouping together in economic blocs, in accordance with the new international order.

Mexico has thus become the leading Latin American nation to call for change. How many countries in Latin America fervently desire and seek fresh capital from the industrialized countries to enable them to continue their development? In this respect, Mexico is highly competitive, as in shown by its impressive economic progress.

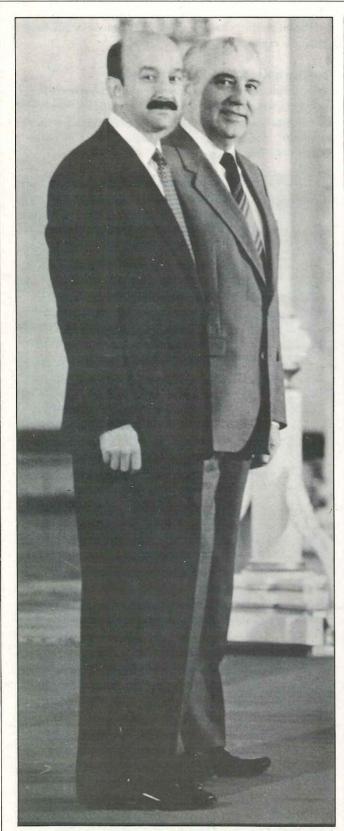
Furthermore, the presidential tour gave additional force to the present negotiations for the Free Trade Agreement (FTA) with the United States and Canada, as such an agreement in no way excludes investments by nations from other economic blocs. On the contrary, Mexico not only diversifies its sources of financing, but becomes the pole of attraction for the European business and industrial community, mainly because of its geographical proximity to, and great possiblities of doing business in, the world's biggest market.

In addition, the present Administration is known for trying to diversify and deepen Mexico's economic and trade relations with nations all over the world, one example being Mexico's becoming a full member of the Pacific Economic Cooperation Conference, another the negotiations for the signing of the FTA with the USA and Canada, and meanwhile there is some likelihood of other similar agreements with countries such as Chile, Venezuela and Colombia.

The presidential tour: a vision of the future

The changes that have already taken place on the domestic scene have their projections on the international one. It has become commonplace nowadays to speak of a different Mexico. The country is not what it was twenty years ago. The transformations carried out by the present government have reached all sectors of the population. Changes in politics have spread out from the government to the private sector and to the general public.

A reflection of what has been achieved both politically and economically is provided by the aims proposed in the presidential tour: to make known Mexico's foreign policy and bring about trade and investment agreements. The special tone of the trip was to show a



Ready and willing for the new world order.

different Mexico, with a president no longer there to talk about the needs of a Third World country. Mexico is a nation that can speak up for itself and demand equal treatment and fair deals.

The results are there to be seen. In the economic field, far reaching investment commitments were signed for more than four billion dollars. While in the political arena, diplomatic and friendly relations were consolidated with the countries visited, a step that will doubtless complement and enrich the economic achievements.

The relevance of the presidential tour gave a new slant to national and international politics, since the Mexican television showed the cordial and even warm welcome received by President Salinas, who spoke with heads of state, businessmen and intellectuals, as well as with ordinary citizens and the "man in the street."

President Salinas made his trip at a time when great changes are being made in the world. The international order is no longer the same; the reunification of Germany, the reforms underway in the Soviet Union, the changes that have taken place in the Czech and Slovak Federal Republic, and the visit to the Vatican, all gave the trip its outline for future policy.

The most relevant thing, therefore, in the presidential tour had to do with the President's vision of the future with regard to the role of politicians in the context of a changing world: we should be training the future generation that will be leading the nation in the great transformations of today, and those that are yet to come.

Germany

We are now witnessing the most competitive stage in the history of international trade, where the struggle for resources takes on an unprecedented magnitude all over the world. In Berlin, President Salinas de Gortari declared that diversification is the key element for Mexico's commercial strategy and warned that in the nineties there will be a notable shortage of capital and financing. He therefore urged that Mexicans should be on the alert and seek opportunities for access to sources of financing and new capital to complement the domestic savings that are necessary for growth.

Among the countries visited, Germany was the most outstanding because of the concrete agreements signed there and the importance of Germany in Europe, and likewise because of the increasingly close economic ties established with Mexico in recent years. People rightly say that Germany will become the motor for economic growth in the West in the 1990's.

In the framework of the presidential tour, the Minister for Trade and Industrial Development, Jaime Serra Puche, stated in Bonn that more than sixty firms will invest three billion dollars in Mexico over the next four years. The governments of the two countries have also agreed to set up a mechanism for bilateral consultations and the Mexico-Germany 2000 Commission.

In Wolfsburg, Carl Hahn, President of Volkswagen, said that the firm would invest about 900 million dollars in Mexico to expand the Volkswagen plant in Puebla.

Twenty of Volkswagen's suppliers will also channel a futher 200 million dollars to Mexico.

For its part, Mercedes-Benz declared that it will double its investments this year. The firm will also make other investments in Mexico, including some in the tourist industry.

A credit line for 100 million dollars was opened between *Banobras* and various German financial institutions in order to complete the light train line in Guadalajara, Jalisco.

The German firm of Hoechst, which is a partner in Celanese Mexicana, will invest 800 million dollars in a petrochemical plant in Mexico, and Lufthansa has promised a further 300 million. There will be considerable German investments in tourism. A Mexican-German joint venture will build a Europlaza in Mexico City, a new urban concept comprising a financial, commercial and tourist center, specializing in housing firms from the European Economic Community.

The Europlaza will be built on the Paseo de la Reforma and the investment will amount to 265 million dollars. It is estimated that the project will create 2,500 jobs during its construction stage and some 600 once it is in operation.

((Mexico, leading Latin American nation to call for change))

The German tourist club chain, Robinson Club, with an initial investment of 32 million dollars, in late 1991 will start building in the Cancún-Tulum corridor (Quintana Roo) and in Organ Bay, Huatulco (Oaxaca), two of a total of 15 tourist clubs. The Ministry of Tourism will be holding a commercial encounter in Mérida, Yucatán, entitled *The First Euroexchange*, to be attended by the leading German tour operators and representatives of the Mexican hotel industry with the aim of encouraging European tourists to visit Mexico.

Briefly, the aim is to increase flows of German investment to various branches of the Mexican economy and strengthen those in wich German participation is already considerable, as is the case of the automobile industry. Another Mexican aim is to consolidate the presence of Mexican products in the German market,

significant progress having already been made in this field during the eighties.

The Czech and Slovak Federal Republic

In Czechoslovakia the groundwork was laid for renewing exchanges which will be increasingly significant for our mutual benefit and to help Czechoslovakia to recover from decades of economic stagnation. During his stay in the country –the first by a president of Mexico– the objectives

Message from President Carlos Salinas to President Mikhail Gorbachev, on the occasion of his restoration to power on August 21st. (extract)

t was with great satisfaction that I learned of your return to Moscow, and with that, the restoration of constitutional order in the Soviet Union. In Mexico, as in many other countries in the world, we were extremely concerned about recent events in your country, which are now, fortunately, drawing to a close. World peace and stability, to which the reforms you have encouraged have greatly contributed, will now doubtless be increased by your involvement. The bilateral ties between Mexico and the Soviet Union, which were greatly strengthened by the cordiality and friendship shown to me by the Soviet government and its president, will lead to an even closer and more productive relationship. We therefore have reason to congratulate the Soviet people who have demonstrated their wish for a peaceful and legal transformation toward democracy.



Salinas rubbing elbows in Italy.

of the meeting with the head of state, Vaclav Havel, were essentially political ones: to achieve closer bilateral relations and, in the near future, to crystalize the potentialities of this relationship for both countries.

During the president's visit, investment commitments were signed: about 18 commercial projects involving firms such as the Saba group, Duramil, Carmatex and the Mexico City and Guadalajara Metro companies.

It is obvious that the main result of the trip was more political than economic, as is evident from the tone of the different declarations made by the two heads of state. President Salinas, for instance, stated that "democracy cannot be consolidated and become fruitful without the appropriate economic conditions. It is for this that stability is such a high priority for, without it, reforms to the productive system, expectations and even the morale of the people are placed in jeopardy."

66No longer there to talk about the needs of a Third World country **99**

On the present state of affairs in Czecholosvakia, the Mexican president said, "The Czech and Slovak Federal Republic is, like Mexico, engaged in the crucial process of social change. Although each has its own national peculiarities, the two countries want to assure for themselves a greater participation in the 21st century world. Today bilateral ties are on the right track, although it must be admitted they are still modest. My presence in this beautiful country is intended to renew our political

will to continue along this path, speeding up the pace whenever possible and working together constantly and decidedly."

On the subject of the strengthening of bilateral relations, the Mexican head of state said, "We wish to foster industrial and technological cooperation and to increase trade. It is essential that government-to-government relations should go hand in hand with direct contacts between businessmen from our two countries. We must, likewise, revive our programs for cultural and educational exchanges. Our young people, our university professors and our artists wish to get to know each other and to take part in common tasks and activities. Let us make an effort to sponsor and facilitate the realization of these aspirations."

Speaking in the Hradshin, in Prague, President Vaclav Havel declared, "I am pleased that this first visit of a Mexican head of state to our country should be taking place at a time when both Czechoslovakia and Mexico are opening up more to the world and trying to strengthen relations with the international community, both politically and economically. Although our points of departure are not at all the same, we are united by a firm decision to assure for our nations a decent entry into the coming millennium.

(Most competitive stage in the history of international trade))

"I am equally convinced of your country's intellectual and economic potential, which I was able to see during my visit there last year. The sympathy and understanding for our objectives, and also the sincere interest among Mexican political, economic and cultural circles to collaborate with us, I conceive as a bilateral commitment to give our bilateral relations something of a privileged character. Unfortunately, it has not been possible so far to give this any concrete expression and, although there are areas in which our collaboration is beginning to take on a promising shape, the existing potentialities are far from being fully realized. I am sure that your visit and the political and commercial deliberations stemming from it will be a big step forward."

Finally, just before leaving for Moscow, President Salinas was asked about the aid the international community should provide for the new democracies in order to prevent conflicts arising on account of economic problems, such as is the case in Yugoslavia. The Mexican president pointed out that there should be more opportunities for trade, and expressed his hope for a

successful conclusion to the GATT's Uruguay Round, so as to avoid real trade wars. "Trade will open up opportunities for the well-being of the new democracies, but it is also necessary to speed up financing mechanisms in international markets, so that the political will for more trade and financing will be expressed in deeds, in order to make viable the new hopes that are arising not only in the European continent, but also in Latin America."

The Soviet Union

The part of the presidential tour that, undoubtedly, aroused the most expectations and interest was the visit to the Soviet Union, as it is now fully immersed in a process of opening up to the outside world. Although the new international order is already underway, predictions had failed to identify the great transformations that have taken place not only in the USSR, but also in Eastern Europe and large parts of the world.

It would seem that what was expected did indeed take place: the meetings between the Mexican president and his Soviet counterpart were fruitful, not only because of the negotiations agreed on but because, at bottom, both Salinas and Gorbachev tend to be identified with the new politics in their two countries. An affinity that will be strengthened by the Soviet president's forthcoming visit to Mexico later this year.

66 Europlaza to be built **)**

On the subject of trade and investments, it was agreed that a Mexican joint venture with state and private capital would help in the rebuilding of an oil refinery in Baku, the capital of Azerbaidjan. Negotiations were likewise initiated for the signing of a General Agreement on Cooperation to consider a project for Soviet participation in the Aguamilpa hydro-electric plant in the state of Nayarit.

The groundwork was also established for cooperation in exploring space and the use of the cosmos, in the modernization of telephone communications, in protecting the civil population and preventing natural catastrophes, in the fight against illegal traffic in drugs, psycho-active substances and addiction. In total, there were just over 35 export and investment projects involving firms such as Calzado Canadá (shoes), Tamsa (exports of seamless tubes), the sale of canned tuna, and oil projects through Mexpetrol.

Among President Salinas's first impressions in Moscow, the most striking was that expressed in this statement: "For Mexico, it is important to be here in the place where changes are taking place that will influence the new balance in the world."

For his part, Mikhail Gorbachev told the Mexican president that, in spite of the problems affecting the Soviet Union, his government is keenly interested in closer relations with Latin America, particularly with Mexico. He also spoke of his concern about the results of the Group of Seven's meeting in London and its response to the Soviet Union's proposals.

66 Firm decision to assure for our nations a decent entry into the coming millennium: Havel **99**

In his speech before a group of deputies in the Supreme Soviet, and in the Lomonossov University, where he was awarded an honorary doctorate for being the first economist to put his theories into practice, Salinas de Gortari said that Mexico has never let foreign interests dictate its domestic policy, and stated that any country that does so is, in fact, giving up its sovereignty. On the subject of politics, the president mentioned the domestic frictions between the opposition parties in Mexico, the outlook for the coming elections in August, and for his party, the PRI.

In another part of his speech, President Salinas declared, "Mexicans want freedom, respect for pluralism, better opportunities and standards of living. Mexico cannot remain on the sidelines when new arrangements are being made, because later on it will be very difficult to enter into them." With regard to democracy, he explained that, in Mexico, "it is understood to be a free people's sovereign decision and right to choose the government that best corresponds to its interests and historical projects, and should never be subject to outside interference, because democracy in Mexico respects other nations and relies exclusively on the decision of one sole judge: the Mexican people."

66 Salinas and Gorbachev identified with the new politics **99**

When outlining the future for politics, Carlos Salinas de Gortari said, "At a time when the world is struggling for its future with far-reaching and uncertain changes, there is no room for fake reforms and doubtful compromises. The transformations must be thorough ones, so that the nations do not come apart. These can only be carried out by politicians, by statesmen. Political reforms do not require, as their prior condition, eonomic ones, but the former are

difficult to achieve without the latter. Furthermore, it is not enough that the government should be willing to guarantee the building up of a new political culture; there must also be a deliberate effort to promote such ideals and a civil society that fulfills its responsibilities. It is not enough to demand one's rights, one must also do one's duty.

Otherwise there is a risk of anarchy and destabilization."

Italy

The last stage of the president's trip was Italy, a country in which important agreements were reached, such as joint ventures between micro- and small-scale firms in both nations, the majority in the provinces, with the aim of setting up production chains in branches such as furniture, marble, textiles, footwear and machinery.

((First economist to put his theories into practice))

The most outstanding of these was the agreement signed between *Pemex* and the Italian National Hydrocarbons Company for oxygenation and reduction of lead exhaust fumes, with an investment of 200 million dollars. *Pemex* will have shares in this agreement to enable it to enter the European markets. *Fonatur* (The National Tourism Fund) undertook a project with the Kursaal company to develop a big marina complex in Cancún, which aims to attract capital flow of up to 1,400 million dollars. One Cooperation Agreement was signed for carrying out other projects and exchanges and to provide closer commercial ties between Mexico and Italy; another one to avoid double taxation; and yet another for coordination in the fight against drug trafficking.

In the diplomatic field, Salinas' visit to the Vatican also aroused interest and expectations as to the possible results of his meeting with the Pope. However, the visit was a "strictly personal" one, not as head of state. It was extremely cordial and showed the authenticity and firmness of the ties that link the Mexican people to the Holy See, and the government's respect for Mexicans' religious beliefs.

In the communiques issued by both President Salinas and the Pope, one should give special mention to these words of the Mexican head of state: "In Mexico, plurality and the people's most intimate convictions are respected. It is hoped we will take steps toward a broader range of freedoms and that the material conditions are being forged to make everyone's choice both possible and valid.

"We don't want to give up old forms and invent new ones which aim, in vain, to put a brake on the human spirit. This is what encourages Mexico to persevere in the struggle to build a nation that is strengthened in its sovereignty, that is fairer domestically, always anxious that the people's right to self-determination will prevail, with non-intervention in internal affairs, cooperation for development and the search for peace."

Pope John Paul the Second publicly recognized
President Carlos Salinas de Gortari's decided effort to find

COP Production chains for the provinces **??**

solutions for the problems that plague Mexico and thus provide the groundwork for a fairer and more participative social order.

The head of the Catholic church also said he hoped that in Latin America there would be a united will, and increased efforts for more effective cooperation in order to cope with the grave problems of injustice and poverty, and to foster a comprehensive promotion of human beings, protecting human rights and respecting human dignity.

He likewise mentioned that in a state of law, the full recognition of religious freedom is, at one and the same time, the fruit and the guarantee of all other civil rights. It is undeniable, he said, that the presence and actions of the Catholic community in Mexico make a notable contribution to the good of the society, since many social and even political problems have their roots in the moral order.

66 Religious freedom, guarantee for all other civil rights: John Paul II **99**

Pope John Paul the Second again expressed his hope that the positive elements that are springing up in the dialogue and understanding between the Church and the civil authorities in Mexico will develop and, later on, consolidate into the necessary framework of effective and legal freedom that the church demands in order to fulfill its mission of evangelization properly. Finally, the Pope thanked President Salinas for his visit and confirmed his desire to return to Mexico in October 1992

Celia I. Martínez Zwanziger

Staff writer.